

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: FIELDWOOD ENERGY LLC, <i>et al.</i> , ¹ Debtors.	§ § § § § § §	Chapter 11 Case No. 20-33948 (MI) (Jointly Administered)
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**STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN
SUPPORT OF CONFIRMATION OF THE FOURTH AMENDED JOINT CHAPTER 11
PLAN OF FIELDWOOD ENERGY LLC AND ITS AFFILIATED DEBTORS**

The Official Committee of Unsecured Creditors (the “Creditors’ Committee”) of the above-captioned debtors and debtors in possession (the “Debtors”), by and through its undersigned counsel, hereby submits this statement in support of confirmation of the *Fourth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors* [Docket No. 1284] (as may be amended, supplemented or modified, in accordance with its terms, the “Plan”),² and in connection therewith, respectfully states as follows:

STATEMENT OF SUPPORT

1. Throughout these Chapter 11 cases, the Creditors’ Committee and its professionals diligently and expeditiously exercised their fiduciary duties to safeguard the interests of the Debtors’ unsecured creditors and maximize their recoveries. In order to do so, the Creditors’

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422). The Debtors’ primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042.

² Each capitalized term that is not defined herein shall have the meaning ascribed to such term in the Plan.

Committee and its professionals strongly endorsed – publicly, before this Court, and privately, in discussions with the Debtors’ and their professionals -- the Debtors’ efforts to negotiate trade contracts with as many of its prepetition vendors as possible. Those efforts were largely successful, with some 158 trade agreements entered into, resolving \$137.2 million in prepetition trade claims as of the filing of the Disclosure Statement (April 15, 2021),³ and many more agreements reached since then.

2. The Creditors’ Committee also recognized that the Debtors’ capital structure (with approximately \$1.8 billion in prepetition funded debt), would be a significant hurdle in ensuring a meaningful recovery to unsecured creditors. Accordingly, the Creditors’ Committee and its professionals focused their efforts on analyzing the Debtors’ capital structure, including the liens of the senior secured lenders, and investigating potential third-party claims and causes of action. As a result of these efforts and, after taking into account the facts and circumstances of these cases, including the significant risks, costs and possible benefits associated with litigating potential claims, the Creditors’ Committee determined that attempting to negotiate a settlement with the Debtors and the lenders was the preferred approach. As provided for in the Plan and described in the Disclosure Statement, the Creditors’ Committee was successful in reaching a comprehensive settlement with the Debtors and the lenders, which, in sum, provides for the following treatment for general unsecured claims:

- Holders of Allowed Unsecured Trade Claims (Class 6A) that execute new trade agreements will receive their *pro rata* share of Cash in the aggregate amount of the

³ Disclosure Statement for Fourth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors (the “Disclosure Statement”) [Docket No. 1285], §V. L. at 44.

lesser of (i) \$8 million and (ii) 14% of the Allowed Amount of Allowed Unsecured Trade Claims;

- Holders of Allowed General Unsecured Claims (Class 6B) -- including those trade creditors that choose not to be in Class 6A -- will receive their Pro Rata Share of the GUC Warrants and any Residual Distributable Value (as defined in the Plan). Accordingly, through the GUC Warrants, those creditors in Class 6B can share in a potential future increase in the value of NewCo.

See Disclosure Statement, §I (*Settlement with the Creditors' Committee*) at 16 (reciting all terms of the settlement). Although unsecured creditors' claims remain impaired, recoveries to general unsecured creditors, as a result of the settlement, far exceed the recoveries set forth in the initial version of the Plan filed with the Court, which provided for a mere \$5 million in cash to be shared among all unsecured creditors (which, at that time, included the SLTL Lenders and the deficiency claims of the FLTL Lenders). *See* Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors [Docket No. 722], § 4.6 at 29.

3. Accordingly, the Creditors' Committee believes that the Plan settlement is in the best interests of all general unsecured creditors. For the foregoing reasons, and those set forth in the Debtors' submissions in support of confirmation, the Creditors' Committee respectfully requests that the Court confirm the Plan.

WHEREFORE, the Creditors' Committee respectfully requests that the Court confirm the Plan and grant such other relief as may be proper.

Dated: June 13, 2021
Houston, Texas

Respectfully submitted,

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Michael D. Warner

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CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of June, 2021, a true and correct copy of the above and foregoing has been served by electronic transmission to all registered CM/ECF users appearing in these cases.

/s/ Michael D. Warner

Michael D. Warner